



Bringing people together to build homes, communities and hope.

Honorable Joe Seiwert, Chairperson
House Committee on Energy, Utilities and Telecommunications
Statehouse, Room 481 –W
Topeka, Kansas 66612

SUBJECT: House Bill 2317 Regarding Urban Electric Transmission Lines

Chairman Seiwert, Vice Chairman Garber and Committee Members,

Thank you for the opportunity to provide testimony today in support of House Bill No. 2317 sponsored by Representative Gail Finney.

I am Ann Fox, the executive director of Wichita Habitat for Humanity. We are an affiliate of Habitat for Humanity International serving hard working families who earn 35 to 65% of the area median income in Sedgwick County. We are committed to affordable and safe housing. We have been focused on building homes in the one of the most blighted areas of northeast Wichita¹. Our focus area is ½ square mile located in zip code 67214, which in 2016 was ranked the 4th most distressed zip code in Kansas¹. We have built and sold 38 homes in this area of Wichita since 2014. The investment and the impacts of our work in affordable housing on families and the community are significant. They are highlighted in the Impact Report you have received.

PROBLEM:

We are here today because of problems caused in our revitalization area when electric transmission lines were installed without proper notification of homeowners and Wichita Habitat for Humanity. When beginning work in this area we had clear objectives to increase property values by reducing the number of vacant and blighted properties by building new homes and rehabbing existing homes.

We currently hold the mortgages on nine single-family residences that sit within 150 feet of a tower and 29 more homes within 6 blocks of the transmission lines. These homes' sales prices averaged \$76,700. These families did not receive advance notice of the sitings, because it was not required. The transmission towers are 105 feet high and the concrete bases have a 27- foot circumference. These dimensions dwarf the modest homes of an area platted in 1905. The residential lots are 50' by 150', they are separated by 10 foot alley easements behind. The front yard set backs are 25' feet and residential streets are narrow. The likely reduction of property values will impact the value of these low-income families' hard-earned real property. Causing further concern, the utility corporation's gesture of good will by offering to purchase properties from landowners who no longer want to live in the presence of a tower will likely lead to more properties that are vacant. Vacant properties have been identified as the strongest predictor of a community's level of economic distress².

WHY THIS BILL IS A SOLUTION:

House Bill 2317 will not solve any of the problems I have just described. Wichita Habitat for Humanity has great appreciation for Representative Finney's work on this bill, and we support it today because we believe its three primary provisions will prevent such a scenario from happening in the future.

First, we believe the bill's provisions for advance notification within the community of plans for upgrades and installations is very important. Public notification is especially critical for low-income families because of the challenges they face. Consider:

1. They do not have a homeowner association to inform and represent them.
2. They lack access to or means for legal representation.
3. They often have lower educational attainment and many face language barriers
4. They work low-wage, shift jobs with inflexible schedules and limited ability to attend community meetings.
5. People who survive on low incomes are often more vulnerable to the lure of a quick payment of cash with little understanding of longer-term impacts for themselves or their neighborhoods.

In at least two other communities where transmission line upgrades are complete, both located in zip code 67230 which is the most prosperous zip code in Wichita, attorneys representing homeowner associations quickly alerted all member property owners; meetings were called and some changes and concessions were reached through community conversations before construction began. This is very different from the situation we experienced, where meetings were held to calm and reassure neighbors after construction was well underway.

Wichita Habitat for Humanity has appreciated our local utility company employees' partnership with us in revitalizing the area where the transmission lines have been erected. Westar employees worked side by side with us on vegetation management, clearing lots for the very homes that at least two homeowners have indicated they no longer want to live in. If we had been given advance notice and more extensive details, we could have made better decisions. We learned that the utility company was negotiating rights of way within our focus area only after the relative of an employee received an offer, and only after negotiations had been underway for almost two years. We require two to three years lead time to acquire properties, because they are purchased one at a time. Our projects are initially funded through corporate and individual philanthropy. Without advance and complete knowledge of the changes planned, we were unable to make the best possible investments with donor dollars. The modest incomes of these homeowners make the lost value of their only real asset more impactful than on property owners in more prosperous neighborhoods. They put their trust in us that the area would appreciate because of our joint investment. Now this is in serious question.

I believe House Bill 2317's provision for Kansas Corporation Commission oversight of sitings is necessary and will prevent the problems we have experienced, particularly our significant concern about the long term impact on property values in residential areas that are close to upgraded transmission lines.

We know that the utility corporation did nothing illegal in their actions. They were simply upgrading equipment, not re-routing the lines. For this reason, no notification of the community, nor the city nor county governments was required. Clearly, this was the path of least resistance, and who could blame them for that? Everyone wants power, but nobody wants towers! And that is exactly when oversight becomes necessary.



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The electric utility infrastructure being replaced in our area was sixty years old. It was being replaced with infrastructure designed to meet needs for power 60 years into the future, and in particular the needs of the rapidly expanding Innovation Campus at Wichita State University. Had the Kansas Corporation Commission been required to review the sitings and to evaluate population density, aesthetics and the surrounding location before proceeding, I have no doubt serious consideration would have been given to routes *around* instead of *through* dense residential communities in the city's urban core.

Finally, Wichita Habitat for Humanity is often asked by the City of Wichita, "What will it take to get market-rate developers involved in revitalization efforts?"

I must say that without the measures outlined in this bill, our non-profit is reluctant to take the considerable risk of continuing to work in these areas, which are already depressed. Only after five years of building new homes have the appraised values come close to the actual cost of construction materials. Who without a non-profit status and social service mission would accept this risk? Any impact on the value of the mortgage portfolio we hold on properties, which sits at over \$2 million for this area, affects our long-term ability to serve our mission.

We need to be able to trust that the utilities will provide clear, transparent, timely notification of their plans and actions, and to consider the appropriateness of significantly different equipment in areas that have not changed. So do commercial and for-profit developers who want to see our inner cities protected and improved. Most people are reasonable when they fully informed. We won't always like infrastructure changes, but we all deserve to fully understand what is coming, why, and that the plans have been properly vetted.

Joining us in support of this bill is the Wichita Area Builders Association. The other 21 Kansas Habitat for Humanity Affiliates have received copies of the bill. I would encourage you to reach out and inquire about experiences your local Habitat Affiliate has had in order to further inform your decision.

Again, thank you for your careful consideration of House Bill 2317.

Ann M. Fox
Executive Director, Wichita Habitat for Humanity

ⁱ 1.The Economic Innovation Group ranked zip code 67214 as the 4th most distressed zip code in Kansas in 2016, up from 2nd in 2011. Economic distress indicators used in their Distressed Communities Index include education rate, poverty rate, housing vacancy rate, median income ratio, % change in Employment and % change in establishments. www.eig.org, Interactive Maps/State Maps/Zip Codes.

2. The Economic Innovation Group reports the housing vacancy rate is the best predictor of a zip code's overall score on the distressed communities index and its change over time. ***From Great Recession to Great Reshuffling, 2018 Distressed Communities Index, eig.org.***